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ORIGINAL

Tucson Electric Power Company

One South Church, P.O. Box 711

Tucson, AZ 85702

RECEIVED

2009 MAY -1 P 3:47

May 1, 2009

AZ CORP COMMISSION
DOCKET CONTROL

Docket Control
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

Re: **Demand-Side Management Surcharge ("DSMS") Rider R-2.**
Docket Nos. E-01933A-07-0402, E-01933A-05-0650, Decision No. 70628

On March 24, 2009, Tucson Electric Power Company ("TEP") submitted its DSMS Rider R-2 for approval. In the cover letter of that filing, the requested DSMS rate of \$0.000853 was reported in error as \$0.00853 and the current rate was reported as \$0.00639 instead of the correct rate of \$0.000639. TEP hereby submits its amended filing; however, please note that the only difference is the reported errors in the cover letter – there are no changes to the remainder of the filing. A clean and redlined DSMS Pricing Plan, as well as the necessary supporting documents are attached. Please see the March 24, 2009 filing for more information.

If you have any questions, please contact me at (520) 884-3680.

Respectfully Submitted,

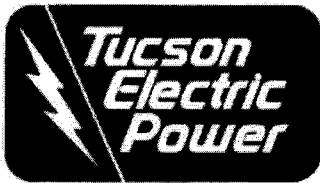
Jessica Bryne
Regulatory Services

cc: Ernest Johnson, ACC
Barbara Keene, ACC

Arizona Corporation Commission
DOCKETED

MAY -1 2009

DOCKETED BY	
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Rider R-2 Demand Side Management Surcharge (DSMS)

A UniSource Energy Company

APPLICABILITY

The Demand Side Management Surcharge ("DSMS") applies to all customers in all territory served by the Company as mandated by the Arizona Corporation Commission, unless otherwise specified.

RATE

The DSMA shall be applied to all monthly net bills at the following rate:

All kWhs

\$0.000853 per kWh

REQUIREMENTS

The DSMS will be calculated and filed with the Arizona Corporation Commission (ACC) for approval on or before April 1st. The ACC will approve the surcharge to be billed to all applicable pricing plans for twelve (12) months beginning each June 1st.

TAX CLAUSE

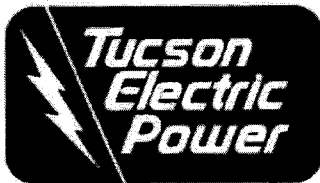
To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this pricing plan.

Filed By: Raymond S. Heyman
Title: Senior Vice President, General Counsel
District: Entire ElectricService Area

Tariff No.: Rider R-2 DSMS
Effective: June 1, 2009
Page No.: 1 of 1



Rider R-2
Demand Side Management Adjuster Surcharge (DSMSA)

A UniSource Energy Company

APPLICABILITY

The Demand Side Management Adjuster Surcharge ("DSMSA") applies to all customers in all territory served by the Company as mandated by the Arizona Corporation Commission, unless otherwise specified.

RATE

The DSMA shall be applied to all monthly net bills at the following rate:

All kWhs	\$0.000853639 per kWh
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REQUIREMENTS

The DSMSA will be calculated and filed with the Arizona Corporation Commission (ACC) for approval on or before April 1st. The ACC will approve the surcharge to be billed to all applicable pricing plans for twelve (12) months beginning each June 1st.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this pricing plan.

Filed By: Raymond S. Heyman
Title: Senior Vice President, General Counsel
District: Entire ElectricService Area

Tariff No.: Rider R-2 DSMSA
Effective: June 1, 2009~~December 1, 2008~~
Page No.: 1 of 1

**TUCSON ELECTRIC POWER
COMPUTATION OF DSM SURCHARGE
EFFECTIVE JUNE 1, 2009 to MAY 31, 2010**

C:\Documents and Settings\ua02271\Local Settings\Temporary Internet Files\OLK59\TEP DSM Surcharge (5-01-2009) DRAFT.xls]Calc Sun

Rate Calculation

	<u>TEP</u>	
(a) Current Expenditures (2008)	1A \$ 606,662	Source: TEP
(b) Actual Billed: December-08	1B \$ (228,655)	Source: DSM Revenue (GL)
(c) Under (Over) Collected	\$378,007	(a) + (b)
(d) Program Expenditures (2009)	1C \$ 7,771,247	
(e) Under (Over) Collected (above)	\$378,007	(c)
(f) Total Amount Owed:	<u>\$ 8,149,254</u>	(d) + (e)
(g) Forecasted Retail Sales (including unbilled therms) TME May 31, 2009	2A 9,552,111,194	Source: Sales
(h) DSM ADJUSTOR CHARGE EFFECTIVE JUNE 1, 2009	<u>0.000853</u>	(f) / (g)
(i) Current rate through May 31, 2009	\$ 0.000639	
(j) Change in rate	\$ 0.000214	(h) - (i)

TEP 2009 Budgets for Adjustor

Program	2009 Budget	2008 Expenditures
Education and Outreach	\$ 551,000	\$ 402,158
Direct Load Control (25%)	\$ 212,888	\$ -
Residential Efficiency Programs		
Low-Income Weatherization	\$ 261,620	\$ 136,518
Guarantee Home	\$ 2,414,536	\$ 1,676,928
Efficient Home Cooling	\$ 428,024	\$ 61,706
Shade Tree Program	\$ 160,000	\$ 137,827
Energy Star lighting (CFL)	\$ 1,490,724	\$ 344,287
Residential Subtotal	\$ 4,754,904	\$ 2,357,266
Non-Residential Efficiency Programs		
Non-Residential Existing Facilities	\$ 602,900	\$ 102,081
Small Business	\$ 1,102,800	\$ 91,109
Efficient Commercial Building Design	\$ 449,574	\$ 33,956
Non-Residential Subtotal	\$ 2,155,275	\$ 227,145
Program Totals	\$ 7,674,067	\$ 2,986,570
Measurement, Evaluation & Research (1)	\$ -	\$ 337,778
CC&B Database Development	\$ 39,595	\$ -
TEP Baseline Study (25%)	\$ 57,585	\$ -

Total	\$ 7,771,247 C	\$ 3,324,347
December Expenditures Only		\$ 606,662 A
2008 Adjustor Revenue		\$ 228,655 B
(December only)		

(1) Measurement, Evaluation and Research costs include Summit Blue assistance with program design, evaluation, and technical assistance; and costs to develop a database to track program participation and savings

TEP Forecast Sales June 2009 - May 2010

Sales (MWh)

Year	Residential	Commercial	Industrial	Mining	Other	Total Sales (MWh)
Jun-09	434,126	202,317	207,682	94,510	26,503	965,138
Jul-09	492,601	201,044	226,529	87,410	22,877	1,030,460
Aug-09	467,176	213,294	239,173	90,050	21,474	1,031,166
Sep-09	400,170	194,034	202,641	91,980	20,937	909,762
Oct-09	267,616	167,635	207,630	91,370	23,449	757,700
Nov-09	231,378	149,664	168,703	94,840	17,818	662,403
Dec-09	270,310	146,548	162,555	87,860	21,437	688,709
Jan-10	287,947	126,703	186,736	87,320	21,746	710,451
Feb-10	235,856	136,381	162,258	85,550	15,510	635,555
Mar-10	231,766	151,855	179,961	87,570	17,596	668,747
Apr-10	232,308	154,365	183,963	90,850	19,977	681,464
May-10	306,123	183,735	204,512	89,690	26,494	810,554
						9,552,111 A